file

THE PREMIER TRUST COMPANY

INCORPORATED
BY ACT OF
PARLIAMENT OF CANADA

FIFTY-SEVENTH ANNUAL REPORT

1972

MEMBER
CANADA DEPOSIT INSURANCE
CORPORATION

BOARD OF DIRECTORS

THOMAS B. HOLMES
President and General Manager

THOMAS H. HOLMES, M.D.
Vice-President

G. DADSWELL
Secretary

L. J. FLECK
G. F. McCANN
THOMAS M. WEATHERHEAD
N. S. WATT

OFFICES

Toronto
19 Richmond Street West
J. F. BROMLEY, Manager

St. Catharines
44 James Street
W. R. SPENCE, Manager

London
428 Richmond Street
G. T. WELSH, Manager

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors are pleased to present the 57th Report showing the results for the year ended December 31st, 1972 with your Auditors' Report.

In the past, the Company has followed a different practice in the accounting for investment reserves and for income from investments.

Changes have now been made to conform with more generally accepted accounting practices.

Details of these changes are explained in the notes to the financial statements.

Respectfully submitted,

THOMAS B. HOLMES,
President.

Toronto, January 12th, 1973.

THE PREMIER TRUST COMPANY

STATEMENT OF INCOME
For the Year Ended December 31, 1972

	1972	1971 (Restated)
Income		
Mortgage interest	$4,333,446	$4,072,233
Bond interest	618,799	554,972
Other income	532,071	394,252
	5,484,316	5,021,457
Expenses		
Interest on deposits	3,348,778	3,200,340
Salaries and staff benefits	462,347	439,241
Other operating expenses	338,746	336,770
Depreciation	19,400	18,900
	4,169,271	3,995,251
	1,315,045	1,026,206
Income taxes	596,689	491,084
Operating income	718,356	535,122
Gain on sale of investments less related income taxes	873	21,039
Net income	$ 719,229	$ 556,161
Net income per share (after subdivision)	$ 5.87	$ 4.54

STATEMENT OF RETAINED EARNINGS
For the Year Ended December 31, 1972

	1972	1971 (Restated)
Balance, beginning of year, as previously reported		$ 111,713
Add: Items not included in income prior to 1971:		
Accrued interest receivable of $884,379 less income taxes of $428,924		455,455
Gain on sale of investments		286,194
Balance, beginning of year	$ 137,428	853,362
Net income for year	719,229	556,161
	856,657	1,409,523
Less: Dividends	98,000	98,000
Transfer to general reserve	600,000	1,174,095
	698,000	1,272,095
Balance, end of year	$ 158,657	$ 137,428

STATEMENT OF GENERAL RESERVE
For the Year Ended December 31, 1972

	1972	1971 (Restated)
Balance, beginning of year, as previously reported		$2,100,000
Add: Mortgage reserve previously deducted from assets, $927,000 less related deferred income taxes of $401,095		525,905
Balance, beginning of year	$3,800,000	2,625,905
Transfer from retained earnings	600,000	1,174,095
Balance, end of year	$4,400,000	$3,800,000

THE PREMIER

BALANCE SHEET –

ASSETS

	1972	1971 (Restated)
Cash	$ 794,882	$ 793,458
Secured loans	187,587	162,702
Canada bonds, at amortized cost	10,953,110	11,467,833
Stocks, at cost (Market value 1972 $1,517,632; 1971 $1,303,168)	413,177	404,268
Mortgages (note 2)	43,943,356	40,531,658
Office premises, at cost, less accumulated depreciation	501,313	492,310
	$56,793,425	$53,852,229

DIRECTORS'

We certify that to the best of our knowledge and belief, th condition of the Company's affairs.

THOMAS B. HOLMES
President and General Manager

THOMAS
Vice

AUDITC

To the Shareholders,
The Premier Trust Company,
Toronto, Ontario.

We have examined the balance sheet of The Premier Trust Co earnings and general reserve for the year ended on that date and hc examination included a general review of the accounting procedures considered necessary in the circumstances.

In our opinion, except that mortgages are not carried at amortiz financial position of the Company as at December 31, 1972, and the generally accepted accounting principles which were applied on a bas the changes in accounting shown in Note 1 to the financial statement and as shown by the books of the Company.

Toronto, Ontario,
January 9, 1973.

JST COMPANY

ECEMBER 31, 1972

LIABILITIES

	1972	1971 (Restated)
Trust deposits	$ 9,012,749	$ 8,451,583
Guaranteed investment certificates	40,768,851	39,180,927
Income taxes payable	743,063	583,760
Dividend payable	24,500	24,500
Other liabilities	59,510	47,936
	50,608,673	48,288,706
Deferred income taxes	401,095	401,095

SHAREHOLDERS' EQUITY

Share capital (note 3)		
Authorized — 300,000 shares of $10 each		
Issued — 122,500 shares	$ 1,225,000	$ 1,225,000
General reserve	4,400,000	3,800,000
Retained earnings	158,657	137,428
	5,783,657	5,162,428
	$56,793,425	$53,852,229
Assets held for guaranteed account	$49,781,600	$47,632,510

IFICATE

)ended statement is correct and shows truly and clearly the financial

IOLMES
ent

G. DADSWELL
Director

EPORT

as at December 31, 1972, and the statements of income, retained tained all the information and explanations we have required. Our such tests of accounting records and other supporting evidence as we

st as explained in Note 2, these financial statements present fairly the s of its operations for the year ended on that date, in accordance with sistent with that of the preceding year after giving retroactive effect to ording to the best of our information and the explanations given to us

C. E. P. Earl, C.A.,
J. E. Goodwin, F.C.A.,
of
GLENDINNING, JARRETT, GOULD & CO.,
Chartered Accountants.

THE PREMIER TRUST COMPANY

NOTES TO FINANCIAL STATEMENTS
December 31, 1972

1. Changes in accounting

During the year the Company adopted the following changes in accounting:

(i) Interest income on bonds and mortgages previously recorded on a received basis is now accrued as it is earned.

(ii) The reserve for mortgage loans, previously deducted from the asset, has been transferred to general reserve. The accumulated gain on disposals of preferred and common stocks, previously deducted from the asset, has been transferred to retained earnings.

(iii) Appropriations for the reserve for mortgages previously charged to income are now charged to retained earnings and included with the general transfer to reserves. Profits and losses on investment transactions in the year, previously applied to the investment reserve, are now reflected in the income statement.

All the above changes have been given retroactive effect in the accounts, and the balance sheet at December 31, 1971 and statements of income, retained earnings and general reserve for the year then ended have been restated accordingly. As a result of the changes, assets and liabilities at December 31, 1971 have been increased as follows:

Assets	
Canada bonds	$ 144,047
Stocks	303,397
Mortgages	1,983,946
	$2,431,390
Liabilities and shareholders' equity	
Income taxes payable	$ 524,282
Deferred income taxes	401,095
General reserve	1,500,000
Retained earnings	6,013
	$2,431,390

Net income for the 1971 year has been increased (decreased) as follows:

Mortgage interest	$ 128,480
Bond interest	68,062
Provision for mortgage losses	120,000
Investment gains less income taxes	21,039
Other income	(8,038)
Income taxes	(91,084)
Increase in net income	238,459
Net income previously reported	317,702
Restated net income	$ 556,161

2. Mortgages

The Company follows the conservative practice of carrying mortgages acquired at a discount at cost. Discounts are taken into income in the year in which the balance of cost has been recovered.

3. Share capital

During 1972, the Company's shares were subdivided on a ten for one basis.

THE PREMIER TRUST COMPANY

SERVICES

SAVINGS:

Accepts money on deposit, withdrawable by cheque and allows interest on credit balances.

GUARANTEED INVESTMENTS:

Accepts money in trust for investment for any period and guarantees repayment of interest and principal. The Guaranteed Investment Certificates issued by The Premier Trust Company are authorized by law as a trustee investment, bear an attractive rate of interest and are suitable not only for the ordinary investor but for executors and trustees. Write or telephone for descriptive folder.

MORTGAGES:

Lends money upon security of selected first mortgages of real estate.

Acts as collection and lending agent for mortgagees.

Lends to mortgagees upon security of mortgages.

Purchases mortgages.

CALL LOANS:

Lends money to firms and corporations, brokers, bond houses and individuals upon security of eligible marketable collateral such as bonds, stocks, Guaranteed Investment Certificates, etc. Lowest current interest rates. Prompt service. Borrowers are invited to enquire. Loans may be arranged by mail.

ESTATES:

Administers estates where the Trust Company is acting as executor under will or as administrator under court order or as trustee.

Acts as receiver, manager, attorney, guardian or committee.

CORPORATE TRUSTS:

Administers the affairs of corporations for which the Trust Company acts as trustee, receiver or manager.

Acts as liquidator in voluntary winding up and under the Winding Up Act.

Acts as manager, comptroller, accountant, treasurer and secretary.

Acts as trustee in bond issues, as manager of sinking funds and as trustee for pension funds.

Acts as depository and disbursing agent.

AR37

THE PREMIER TRUST COMPANY

SERVICES

ACCOUNTING:

Incidental to its other services, the Trust Company installs and operates systems of accounts, records and filing; carries out examinations of books and accounts; furnishes reports and statements; performs general secretarial services.

SECURITIES:

Purchases, holds, sells and exchanges bonds, debentures, stocks and other securities.

Collects and remits proceeds of bond interest coupons, stock dividends, etc.

Acts as investment counsel and furnishes reports on investments.

STOCK TRANSFER:

Transfers and registers shares and other securities of corporations or syndicates for which the Trust Company has been appointed transfer agent or registrar.

Countersigns and certifies as to the genuineness of issues of securities.

Acts as dividend disbursing agent, escrow agent and pool trustee.

REAL ESTATE:

Member of Toronto Real Estate Board.

Acts as rental and sales agent for owners of real estate, and manages properties such as apartments, office buildings, etc.

SAFE DEPOSIT BOXES:

Rents safe deposit boxes and accepts custody of valuables for safekeeping.

RETIREMENT SAVINGS PLAN:

This Plan has special safeguards, has been approved by the Department of National Revenue and enables self-employed persons to receive a pension.

Printed in Canada